



RESEARCH REPORT

ON

**PURCHASING BEHAVIOR AND ATTITUDES OF ORGANIZATIONAL
GEMSTONE BUYERS TOWARD THAI GEMSTONES**

BY

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บทคัดย่อ

มีงานวิจัยจำนวนมากซึ่งศึกษาความสัมพันธ์ระหว่างพฤติกรรมการซื้อของผู้บริโภค ทัศนคติ และมาตรฐานของทฤษฎีเหล่านี้ รวมทั้งงานวิจัยที่ศึกษาเปรียบเทียบพฤติกรรมการซื้อและทัศนคติของผู้ซื้อซึ่งมีถิ่นฐานในประเทศที่แตกต่างกัน แต่ข้อค้นพบเกี่ยวกับความสัมพันธ์เหล่านี้มักเป็นการศึกษาจากการซื้อสินค้าซึ่งมีราคาไม่แพง มีความซับซ้อนในการตัดสินใจต่ำ มีระดับความเกี่ยวพันและความเสี่ยงที่เกี่ยวข้องกับการตัดสินใจซื้อต่ำ อาทิเช่น สินค้าสะดวกซื้อและเสื้อผ้า อนึ่งการสรุปนัยของผลการศึกษายังคงไปยังการซื้อสินค้าซึ่งมีราคาค่อนข้างแพง มีความซับซ้อนในการตัดสินใจ มีระดับความเกี่ยวพันและความเสี่ยงที่เกี่ยวข้องกับการตัดสินใจสูง ดังเช่น อัญมณี ยังได้รับการศึกษาไม่บ่อยครั้งนัก นอกจากนี้งานวิจัยส่วนใหญ่ยังมุ่งศึกษาความสัมพันธ์ข้างต้นจากมุมมองของผู้บริโภคมากกว่าผู้ซื้อที่เป็นองค์กรต่างๆที่ผู้ซื้อกลุ่มนี้มีบทบาทสำคัญต่อการขับเคลื่อนอุตสาหกรรมอัญมณี ช่องว่างในวรรณกรรมข้างต้นได้ถูกศึกษาในงานวิจัยเรื่องนี้

ผลการศึกษาพบว่าผู้ซื้ออัญมณีทั้งชาวไทยและชาวต่างประเทศซื้อทั้งอัญมณีเนื้อแข็ง เช่น ทับทิมและไพลิน อัญมณีเนื้ออ่อน เช่น ชองเกียและอเมทิส ในทุกกลุ่มคุณภาพ (ต่ำ กลางและสูง) ผู้ซื้อชาวต่างชาตินิยมใช้วิธีการซื้อแบบพบปะกันโดยตรง เช่น การเข้าชมงานแสดงอัญมณี มากกว่าผู้ซื้อชาวไทยและพวกเขาให้ความสำคัญกับกลยุทธ์ที่ผู้ขายใช้ในการสร้างความเชื่อมั่นที่จะซื้อมากกว่าผู้ซื้อชาวไทย โดยกลยุทธ์ที่ผู้ซื้อเห็นว่าสำคัญมากที่สุดสองอันดับแรกได้แก่ การสามารถคืนสินค้าได้ภายในระยะเวลาที่กำหนดและการรับประกันสินค้า นอกจากนี้ยังพบว่าผู้ซื้อชาวต่างชาติมีความพึงพอใจกับการซื้ออัญมณีมากกว่าผู้ซื้อชาวไทย โดยเฉพาะในประเด็นของการสามารถทำอะไรได้จากอัญมณีที่ซื้อไป ทำยที่สุดงานวิจัยนี้ยังพบว่ายิ่งกลยุทธ์การตลาดที่ผู้ขายใช้สามารถตอบสนองความคาดหวังของผู้ซื้อได้มาก ผู้ซื้อจะมีความพึงพอใจ ความเชื่อมั่น และความตั้งใจที่จะซื้ออัญมณีมากขึ้น ข้อค้นพบเหล่านี้นำมาซึ่งความรู้และหลักฐานทางวรรณกรรมใหม่ๆซึ่งก่อให้เกิดประโยชน์กับทั้งผู้ซื้อ ผู้ขาย และอุตสาหกรรมอัญมณีโดยรวม

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ABSTRACT

There has been extensive research on relationships between buyer's purchasing behaviour and buyer's attitudes and their measurements, and a comparison of purchasing behavior and attitudes of buyers from different country profile. However, these relationships have been suggested by using evidence obtained from the purchase of inexpensive, less complicated, and hence low involvement and low risk products or services such as convenient goods and apparel. Exploring whether such associations could be generalised within the complex, costly, high involvement and credence products such as gemstones has been rarely examined. Moreover, previous research has explored these issues based on a consumer's perspective rather than an organisational buyer's viewpoint. This gap in the literature was addressed in this study.

The results of the study suggest that Thai and foreign gemstone buyers have traded both precious gemstones (e.g. Ruby and Sapphire) and semi-precious gemstones (e.g. Zongia

and Amethyst) in all quality categories (low, medium and high). This study has found that buying gemstones using face-to-face contact was more likely to be used by foreign buyers than Thai buyers. It was also revealed that foreign gemstone buyers tended to pay higher attention on the trust relating attributes than Thai gemstone buyers. Offering return policy within the inspection period and offering guarantee were found to be the two most considered attributes. Additionally, it was suggested that foreign buyers tended to be more satisfied with buying Thai gemstones than Thai buyers. A satisfaction from ability to make profit when reselling Thai gemstones was deemed the most considered rationale. Finally, this study found that the more the buyers deemed the marketing strategies used by the sellers met their expectations, the higher the buyers' satisfaction, the buyers' trust, and the buyers' purchase intention towards Thai gemstones purchasing. These results have implications for the literature, and all sellers and buyers.

CHAPTER 1: INTRODUCTION

Introduction

Gemstone and Jewelry industry has played a significant role in Thailand's GDP for more than a decade. Although the export figures have been increasing but in a fluctuated and decreased growth rate (GIT, 2010; Hansarwek, 2008). For example, with the growth rate of 1.4% from 2001 to 2002; -8.1% from 2002 to 2003; 6.9% from 2004 to 2005; 6.6% from 2005 to 2006; and -20.48% from 2008 to 2009. It is noted that the Thai gemstones industry is facing the international trade impediments and the higher competition in the world market (Tantikul & Associates, 2006). For example, the lack of local raw materials, the lower labor costs of competing countries; and new tariff barriers such as the rule of origin for gemstones, the environmental protection measures and the consumer protection measures. Moreover, one of the innovative Thai gemstones, namely orange sapphire, has been accused of a deliberate fake in 2006. Thailand which is set to be the gemstones center of the world in 2014 (Wheat, 2010) has been challenging by the above situations.

The literature suggests several constructs when addressing the purchase of gemstones, however often shedding the light on the purchasing behavior and the attitudes of buyers (e.g. Akhter, 2009; Anckar & D'Incau, 2002; Chen, 2007; Gifford & Bernard, 2006;

Kishtwaria, Sharma, Sharma, & Rana, 2006; Ling, Piew, & Chai, 2010). Of these, researchers rarely adopt an organizational buyer as a buyer representative even though they have played a more explicit role in the world's gemstones trading volume, especially the higher purchasing volume. In addition, examinations of high involvement, complicated, and hence risky products (Laurent & Kapferer, 1985; Mitchell, 1999; Schiffman & Kanuk, 2009), such as gemstones as academic studies are limited. Therefore, this study explores the purchasing behavior and the attitudes of gemstone buyers based on an organizational buyer's perspective.

The purchasing behavior and the attitudes toward gemstone purchasing of organizational buyers in Thailand and in its major trading countries e.g. USA, European Union, Middle East, Japan and India (GIT, 2010) have not been clearly identified. Similarly, a comparison study between the purchasing behavior and the attitudes of Thai buyers and foreign buyers toward Thai gemstones purchasing which may entail the marketing strategy that help sellers to better capture buyer's needs in different market segment, remains lacking.

Previous studies tended to examine the purchasing behavior using a selectively single measurement/marketing strategy based on the components of four Ps: (the product, the price, the place and the promotion strategy (Kotler & Keller, 2009). For example, Munnukka (2008) used customer's price perception to study the buyer's purchasing

behavior when buying mobile communication services. Akhter (2009) adopted the price-value tradeoff strategy to study the purchase behavior of symphony ticket buyers. Adopting multiple measurements/marketing strategies consisting of the product strategy, the price strategy, and the place (distribution channel) strategy used by sellers, to investigate the buyer's purchase behavior, especially when buying high involvement, risky products such as gemstones, is deficient.

Use of the trust, the satisfaction and the purchase intention to measure the buyers' attitude such as in this research corroborates with prior studies. For example, Hou (2005) utilized customer satisfaction, trust and loyalty to develop an integrative consumer's behavioral attitude and intention model as the measure for his study. The study found relationships among those three dimensions of the consumer behavioral model when buying apparel products from retail stores. Wonglorsaichon (2002) used the trust and the relationship satisfaction between buyer and retailer to measure the buyer's attitude toward a purchase of automobile tire. However, use of these multiple measurements to explore the buyers' attitudes toward a purchase of higher involvement, higher risk products which have higher value and more complicated (Laurent & Kapferer, 1985; Mitchell, 1999; Schiffman & Kanuk, 2009) such as gemstones, was just a handful particularly in terms of academic studies.

It is also suggested that buyers from different demographic orientation (e.g. country of residence, age, and gender) were likely to perform dissimilar purchasing behavior such as “What to buy”, “Where to buy”; and they tended to perceive different level of attitudes such as satisfaction, trust, and purchase intention (Dmitrovic, Vida, & Reardon, 2009; Hou, 2005; Kishtwaria, Sharma, Sharma, & Rana, 2006; Kotler & Keller, 2009; North, De Vos, & Kotzé, 2003; Perner, 2000; Schiffman & Kanuk, 2009; Sharma, 2010; Van der Waldt, Rebello, & Brown, 2009; Wiedmann & Hennigs, 2007). Therefore, buyers from different demographic profile such as Thai buyers versus foreign buyers may react in a different way when conducting a purchase. Studying the differences in the buyer’s purchasing behavior and the buyer’s attitudes may entail the marketing strategies that better capture buyers’ needs in different market segments, and hence benefit sellers at the end. For example, increase sales.

Therefore, this research calls for an examination to explore the purchasing behavior and the attitudes of buyers, the differences between the purchasing behavior and the attitudes of Thai buyers and foreign buyers, and the relationship between the purchasing behavior and the attitudes of buyers using the above measurement variables when purchasing high involvement, high risk products such as Thai gemstones.

Research Problems and Research Objectives

This study aims to answer three research questions:

- “What are the purchasing behavior and the attitudes of buyers toward Thai gemstones purchasing?”
- “Do the purchasing behavior and the attitudes of Thai buyers and foreign buyers toward Thai gemstones purchasing differ? and
- “Is there a relationship between the purchasing behavior and the attitudes of gemstone buyers toward Thai gemstones purchasing?”

Based on the above research questions, the research objectives are as follows:

- To determine the purchasing behavior and the attitudes of buyers toward Thai gemstones purchasing
- To determine the differences between the purchasing behavior and the attitudes (toward Thai gemstones purchasing) of Thai buyers and foreign buyers
- To determine the relationship between the purchasing behavior and the attitudes of buyers toward Thai gemstones purchasing

Conceptual Framework

The proposed research objectives of this study entail the specific conceptual framework (see Figure 1) and a series of relevance hypotheses below:

H1a: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their purchasing behavior toward the products purchased (e.g. gemstone characteristics)

H1b: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their purchasing behavior toward the price purchased

H1c: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their purchasing behavior toward the buying channels used

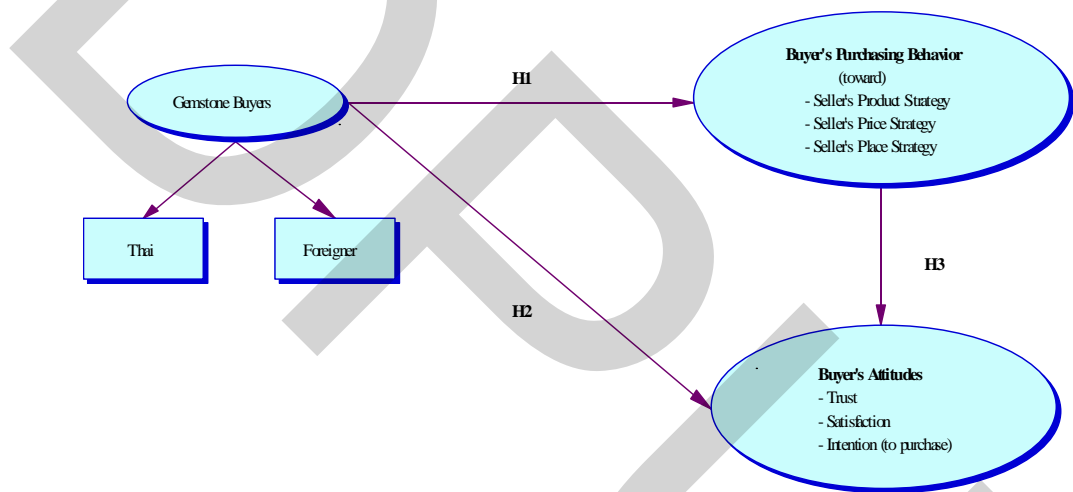
H2a: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their attitudes toward the trust to purchase Thai gemstones

H2b: Thai gemstone buyers and foreign gemstone are significantly different in terms of their attitudes toward the satisfaction to purchase Thai gemstones

H2c: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their attitudes toward the intention to purchase Thai gemstones

H3: The buyer's purchasing behavior (towards the product strategy, the price strategy and the place strategy used by the sellers) is positively related to the buyer's attitude (shown through the satisfaction, the trust and the purchase intention) towards Thai gemstone purchasing.

Figure 1: Conceptual Framework of the Study



Definitions of Terms

In order to set a common understanding and a scope of this study, definitions of terms used in this research are provided below:

1. Thai gemstones: gemstones which have been trading (buying/selling) in Thailand

2. Organizational buyers: representatives of Thai companies and foreign companies who are responsible for gemstones purchasing
3. Buyer's purchasing behavior: the buyer's behavior toward the product strategy, the price strategy and the place strategy used by the seller
4. Buyer's attitudes: the satisfaction, the trust and the intention (to purchase) of buyers toward Thai gemstone purchasing

Significance of the Study

The results of this study will provide new knowledge to both academic and practical arenas. Firstly, the findings are expected to help increase the organizational understandings toward the buyers' behavior and the buyer's attitudes toward Thai gemstones purchasing. Secondly, the results can be used to develop marketing strategies which help organizations to better capture the satisfaction, the trust, and the purchase intention of customers, and hence increase sales. Thirdly, the findings can be used to develop strategies which assist in boosting a trade volume of Thai gemstone and jewelry industry. Lastly, the results will give new insight into the purchasing behavior and the attitude of buyers who purchase risky products which have high value and more complicated such as gemstones, to the existing literature.

Next chapter will discuss the literature review that underlying this study.

CHAPTER 2: LITERATURE REVIEW AND DEVELOPMENT OF HYPOTHESIS

This study examines two major constructs, which are the purchasing behavior and the attitudes of buyers using a high involvement product which has high value and more complicated (Laurent & Kapferer, 1985; Mitchell, 1999; Schiffman & Kanuk, 2009) such as Thai gemstones.

Gemstones and Thailand

Product categories are inherently associated with level of involvement. It is defined as "... consumers engage in a range of information-processing activity, from extensive to limited problem solving, depending on the relevance of the purchase" (Schiffman; Bednall, O'Cass, Paladino, & Kanuk, 2005, p.625-626). It is suggested that high involvement products tend to be high in value and complicated (Laurent & Kapferer, 1985; Mitchell, 1999), for example, automobile (Srinivasan & Ratchford, 1991), television (Mitchell, 1999), organic food (Gifford & Bernard, 2006), and gemstones (Pongyilar & Pongwichai, 2008; Tiangsoongnern, 2007; Ward, Girardi, & Tiangsoongnern, 2007). In particular, gemstones are considered as higher involvement than general consumer products, because of their higher value and more complicated characteristics which usually require an experienced person to accurately assess their

value (Buncharoen, 2009; Hughes, 1997; ICA, 2001; Porncharern, 2007; Weinburg, 2001).

Previous studies tend to examine consumer purchase of low involvement products which are low value and less complicated. For example, convenient goods (e.g. deodorant, headache pill, coffee, apparel) (Kim & Lennon, 2000; Mitchell, 1999) and fast food (i.e. Kentucky fried chicken) (Roseman & Kurzynske, 2006). Some prior researches have investigated consumer purchase of higher involvement, intangible products (services) such as mobile communication (Munnukka, 2008) and classy symphony orchestra concert (Akhter, 2009). However, recent studies, which exploring buyer's purchasing behavior and buyer's attitudes using high involvement products such as gemstone are limited.

While gemstone trading has emerged in every corner of the world, Thailand can be considered as the fair representation of gemstone trading centers, a population frame in this study. Gemstone and Jewelry industry has played a significant role in Thailand's GDP for more than a decade. Although the export figures has been increasing but in a swing and decreased growth rate (GIT, 2010; Hansarwek, 2008). For example, with the growth rate of -5.2% from 2000 to 2001; 1.4% from 2001 to 2002; -8.1% from 2002 to 2003; 6.9% from 2004 to 2005; 6.6% from 2005 to 2006; and -20.48% from 2008 to 2009. It is noted that the Thai gemstones industry is facing the international trade

impediments and the higher competition in the world market (Tantikul & Associates, 2006). For example, the lack of local raw materials, the lower labor costs of competing countries; and new tariff barriers such as the rule of origin for gemstones, the environmental protection measures and the consumer protection measures. Moreover, the Thai gemstones has been involving with scandal accusations, for example, one of the innovative Thai gemstones, namely padparacha (orange sapphire), has been accused of a deliberate fake in 2006. These hindered Thailand's goal which is set to be one of the world gemstones centers (Wheat, 2010). Findings of studies that explore factors underlying the buyer's purchasing behavior of Thai gemstone might help to address the above situations.

Furthermore, organizational buyers are rarely adopted to be representative of gemstone buyers even though they have played a more explicit role in the world's gemstones trading volume, especially the higher purchasing volume than consumers' (Buncharoen, 2009; GIT, 2010; Porncharern, 2007; Tiangsoongnern, 2007). In addition, academic studies that investigate, high involvement, risky products such as gemstones as a unit of analysis, are limited. Therefore, this study explores the purchasing behavior and the attitudes of gemstone buyers based on an organizational perspective.

Purchasing Behavior

An extensive understanding of consumer behaviour, how and why buyers purchase (or don't purchase) products and services is the key to business success (Neal, Quester, & Hawkins, 2000). Consumer behaviour theories suggest two major issues influencing buyer's purchase behaviour – external factors and internal factors (Kotler & Keller, 2009; Schiffman & Kanuk, 2009). In the study of external factors which have influences on consumer's purchasing behaviour in recent times, traditional marketing mix strategies used by the seller, the four Ps strategies: the product, the price, the place (distribution channel), and the promotion (Kotler & Keller, 2009), have been used as a measure. For example, Berstell (2006) adopted the specific focus of the four Ps: product development, placement and distribution channel selection, promotional program design and pricing to identify the key drivers (new segmentation bases) of customer purchase.

The literature suggests different practices when implementing the concept of four Ps strategies to examine buyer's purchasing behavior. Some previous studies used a selectively single measurement/strategy from the components of four Ps. For instance, Munnukka (2008) explored a buyer's purchasing behavior of mobile communication services in Finland by using only a single measure, a buyer's perception toward seller's use of the price strategy. Akhter (2009) adopted the price-value tradeoff strategy to examine a buyer's purchase behavior of high involvement services (Schiffman & Kanuk, 2009) which have high value and more complicated (Laurent & Kapferer, 1985; Mitchell,

1999) such as major symphony ticket. Other prior research employed the particular set of marketing strategies developed from the four Ps. For example, Stack (2009) developed the novel set of marketing mix strategies model (people, personal, place, price, product and promotion) to study the decision to enroll at the study university of undergraduate and postgraduate students. Chen (2007) used buyer's perception toward seller's use of the extended traditional four Ps: price, store image, advertising spending, distribution intensity and price deals, to describe purchase behavior of shoppers at hypermarket stores in Taiwan. Such the diverse usage of the four Ps strategies to examine buyer's purchasing behavior suggested that development of the particular set of marketing strategies varied based on the specific objectives of each study.

Therefore, in order to answer the research question and the research objectives (see chapter 1), this study develops the particular set of marketing strategies / measurements, comprising the product strategy, the price strategy, and the place (distribution channel) strategy used by sellers to define the purchasing behavior of buyers. That was, the current study attempted to explore the "What to buy", "Where to buy", and "How to buy" questions regarding buyers' purchasing behavior (Kotler & Keller, 2009; Schiffman & Kanuk, 2009).

Moreover, it can be seen that findings of previous studies tended to be drawn from investigating high involvement products and intangible services (Schiffman & Kanuk,

2009) which have high value and complicated (Mitchell, 1999) such as television (Srinivasan & Ratchford, 1991), organic food (Gifford & Bernard, 2006), mobile communication services (Munnukka, 2008), classy symphony orchestra concert (Akhter, 2009), program and course enrolment at the university (Stack, 2009), luxury brand products (Wiedmann & Hennigs, 2007); and low involvement products such as purchasing consumer goods at hypermarkets (Chen, 2007), apparel products (Hou, 2005; Kim & Lennon, 2000; North, De Vos, & Kotzé, 2003). Research exploring high involvement, risky products, such as gemstones is lacking. This emphasizes the need to conduct this study.

It is also suggested that buyers from different demographic orientation (e.g. country of residence, age, and gender) were likely to perform dissimilar purchasing behavior such as “What to buy”, “Where to buy”, and “How to buy (Dmitrovic, Vida, & Reardon, 2009; Kotler & Keller, 2009; North, De Vos, & Kotzé, 2003; Perner, 2000; Schiffman & Kanuk, 2009; Sharma, 2010). Therefore, buyers from different demographic orientation e.g. Thai buyers versus foreign buyers may react in a different way when conducting a purchase. Studying the differences in a buyer’s purchasing behavior may entail the marketing strategies that better reach customers, and hence benefit sellers at the end.

Based on the abovementioned, this study proposes three sub-hypotheses to determine the differences in the purchasing behavior of Thai and foreign gemstone buyers as below:

H1a: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their purchasing behavior toward the products purchased (e.g. gemstone characteristics)

H1b: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their purchasing behavior toward the price purchased

H1c: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their purchasing behavior toward the buying channels used

Attitudes

In addition to the external factors that influence buyer purchase behaviour, the psychological or internal factors do play a role in customer mind (Kotler & Keller, 2009; Schiffman & Kanuk, 2009). These factors comprise motivation, learning, self-personality, perception and attitudes. Previous studies have prevalently used these psychological theories, for example the attitudes, to explore the satisfaction, the trust and the purchase intention of buyers. For example, Wonglorsaichon (2002) utilized the trust and the relationship satisfaction between buyer and retailer to measure the buyer's attitudes toward a purchase of automobile tire. Hou (2005) employed the satisfaction, the trust and the loyalty to determine buyer's behavioral attitude and intention when buying

apparel products from retail stores. The study found relationships among those three theories.

Use of the specific set of attitude model: trust, the satisfaction and the purchase intention to explore buyers' attitudes such as in this research corroborates with prior studies. Nevertheless, their findings tend to be drawn from investigating the purchase of low involvement products which have low value and less complicated (Mitchell, 1999), such as apparel (Hou, 2005; Kim & Lennon, 2000; North, De Vos, & Kotzé, 2003); and high involvement product such as automobile (Srinivasan & Ratchford, 1991), automobile tire (Wonglorsaichon, 2002), and luxury brand products (Wiedmann & Hennigs, 2007). The existence of such relationship when purchasing high involvement products such as gemstones, have not been clarified. Furthermore, gemstones which are typically difficult to brand and tend to be infrequent purchases, implies a greater role of the trust in the purchasing processes.

Similar to a discussion in the Purchasing Behavior section, buyers from different demographic orientation (e.g. country of residence, age, and gender) tended to perceive different level of attitudes (e.g. satisfaction, trust and intention to purchase) towards purchasing particular products or services (Erffmeyer, Keillor, & LeClair, 1999; Hou, 2005; Kishtwaria, Sharma, Sharma, & Rana, 2006; Kotler & Keller, 2009; Schiffman & Kanuk, 2009; Van der Waldt, Rebello, & Brown, 2009; Wiedmann & Hennigs, 2007).

Therefore, buyers from different demographic profile e.g. Thai buyers versus foreign buyers may perceive dissimilar attitudes toward particular products such as gemstones.

Hence, this research proposes three sub-hypotheses to determine the differences in the attitudes (measured by the trust, the satisfaction, and the purchase intention) of Thai buyers and foreign buyers when purchasing gemstones as follows:

H2a: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their attitudes toward the trust to purchase Thai gemstones

H2b: Thai gemstone buyers and foreign gemstone are significantly different in terms of their attitudes toward the satisfaction to purchase Thai gemstones

H2c: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their attitudes toward the intention to purchase Thai gemstones

Purchasing Behavior and Attitudes

Psychological theory, such as consumer attitudes, is suggested as one of the variables that has an influence on buyer's purchasing behavior (Kotler & Keller, 2009; Schiffman & Kanuk, 2009). For example, Stack (2009) found a relationship between purchasing behavior of students (toward the particular model of marketing strategy: people, personal,

place, price, product and promotion used by the university) and decision to enroll at the study university.

However, examination of the relationship between the buyer's purchasing behavior and buyer's the attitude measured by the above measurement sets when purchasing the high involvement products which have high value and complicated (Laurent & Kapferer, 1985; Mitchell, 1999) such as gemstone, is lacking. Hence, this study proposes the following hypothesis:

H3: The buyer's purchasing behavior (towards the product strategy, the price strategy and the place strategy used by the sellers) is positively related to the buyer's attitudes (shown through the satisfaction, the trust and the purchase intention) towards Thai gemstone purchasing.

Next chapter will address the research methodology of the study.

CHAPTER 3: RESEARCH METHODOLOGY

This chapter addresses the methodology, the population and the sampling design, measurement items, and the data collection method and the data analysis techniques used in the study.

Population and Sample

A survey research is used to test the research question and the research hypotheses of the current study (Malhotra, 2007). The sample design is described below:

- Population is Thai and foreign, organizational buyers who purchase Thai gemstones
- Sample is Thai and foreign, organizational buyers who purchase Thai gemstones in the 43rd Bangkok Gems and Jewelry Fair 2009 (held during February 25th – March 1st, 2009)
- Respondents are managers / officers who are responsible for gemstones purchasing tasks in the organization

Following Tiangsoongnern & Vuori (2004), this study employed the 43rd Bangkok Gems and Jewelry Fair as the sampling unit. In other words, this research adopted a non-probability sampling using the judgmental sampling (Zikmund, 2003). According to the

Taro Yamane's Table with the 95% confidence level and $\pm 5\%$ sampling error, 400 responses were expected.

As the population consisted of Thai and foreign gemstone buyers, data collection was conducted using a quota sampling method (Cooper & Schindler, 2006). Table 1 showed that the target population was subdivided into two equal groups of Thai and foreign buyers, with 200 responses were expected from each group. The latter was also separated into four equal subgroups of home-country: North America, EU, Asia and others, with 40 responses were expected from each subgroup. This method has been commonly used by previous buyer behavior studies. For example, in exploring the attitudes of young buyers towards SMS advertising, Van der Waldt, Rebello, & Brown (2009) used quota sampling to divide the population into an equal group of male and female respondents. Similarly, Erffmeyer, Keillor, & LeClair (1999) investigated ethical ideology and perception of Japanese buyers toward different ethical situations by dividing them into subgroups of demographic characteristics. Wu (2007) also adopted quota (and snowball) sampling to explore the relationships among electronic service quality, customer satisfaction, electronics recovery service quality, and customer loyalty when purchasing electronic products from online retailers. Following Parasuraman, Zeithaml, & Malhotra (2005), the scales used in Wu's study (E-Core Service Quality Scale and E-Recovery Service Quality Scale) were assessed using a quota sampling method: one-third of respondents were

asked to evaluate their favorite sites, one-third were asked to evaluate their second-favorite sites, and one-third were asked to evaluate their third-favorite sites.

Table 1: Estimated Quota Sampling Used

Number of Thai Gemstone Buyers	Number of Foreign Gemstone Buyers*			
	North America	EU	Asia	Others
40	10	10	10	10
40	10	10	10	10
40	10	10	10	10
40	10	10	10	10
40	10	10	10	10
Total 200	50	50	50	50

Note:

* Estimated from the Bangkok Gems and Jewelry Fair 2007 Statistics

Data Collection

A structured questionnaire was utilized to collect data. It consisted of two main sections which are biographical data, and purchasing behavior and attitude toward Thai gemstone purchasing. This study employed a convenient sampling method (Zikmund, 2003) which the questionnaire were distributed to the gemstone buyers who visited the 43rd Bangkok Gems and Jewelry Fair 2009 held during February 25th- March 1st. The item “Which of

the following best describe your company type?” with the pre-determined choices of the gemstone dealers, gemstone and jewelry dealers, jewelry retailers, and other company types; was used to ensure that respondent is a representative of organizational buyers, as expected.

Measurement Items

The measures employed were adapted based on peer studies (e.g. Pongyilar & Pongwichai, 2008; Tiangsoongnern & Vuori, 2004; Ward, Girardi, & Tiangsoongnern, 2007). Recommendations of practitioners (e.g. Buncharoen, 2009; JCOC, 2008a, , 2008b; Porncharern, 2007) are also considered.

Based on the objectives of the study, several questions were adopted to identify the biographical profile of respondents: country of residence (company location), number of employees, number of years of experience, and gender. Similarly, questions regarding gemstones type, gemstones lot-types, gemstones qualities that they have bought, regular buying methods and number of times attending gemstones exhibitions in a typical year were employed to address the “What to buy”, “Where to buy” and “How to buy” questions regarding buyer’s purchasing behavior (Kotler & Keller, 2009; Schiffman & Kanuk, 2009).

13 items were used to explore the three variables underlying the buyer's purchasing behavior: the product strategy, the price strategy and the place strategy used by the seller. These items were adapted from peer studies (JCOC, 2008a, 2008b; Tiangsoongnern, 2007; Ward, Girardi, & Tiangsoongnern, 2007). 7 items were adopted to examine the product strategy: "When buying gemstone, I tend to consider about treatment disclosures e.g. heating; authenticity (real); origin; color; clarity; variety of gemstone types offered; and selective available (able to select and buy some parts from the whole gemstone lot). 3 items were utilized to study the price strategy: "I am happy to pay higher price for better quality gemstones"; "sellers should have standard price for same quality of gemstones"; and "seller should offer flexible payment methods (e.g. payment in installments). 3 items were used to investigate the place (distribution channel) strategy: "I always buy gemstones that I can inspect by my eyes (face-to-face contacts)"; "I buy gemstones via online channels"; and "I sometimes buy gemstones via online channels".

The three variables underlying the attitudes of gemstone buyers toward the trust, the satisfaction and the purchase intention were examined using 13 items. 6 items were employed to examine the trust to purchase Thai gemstones. Example items are "I prefer to buy from sellers that have good reputation"; "I buy from old contacts; and "offering return policy within inspection period influences my buying decision". The satisfaction of gemstones buyers were measured using 4 items: "I am happy with gemstones buying from Thailand"; "I am happy to deal businesses with Thai sellers"; "I can make profit on

gemstones buying from Thailand”; “Overall, I am satisfied with buying gemstones from Thailand”. 3 items were employed to examine the purchase intention of gemstones buyers: “I will buy gemstones from Thailand in the next months”; “I may buy gemstones from Thailand in the future”; and “I will buy more gemstones from Thailand”.

In line with previous studies (e.g. Newell & Goldsmith, 2001; Roseman & Kurzynske, 2006; Tiangsoongnern, 2007; Ward, Girardi, & Tiangsoongnern, 2007; Ling, Piew, & Chai, 2010; Anckar & D'Incau, 2002), this study used the 5-point Likert scale (Likert, 1932) to assess respondents' behavior and opinions. The scale requires the individuals to make a decision on their level of agreement with the statement. This is suggested as appropriate scale for self-administered survey method (Hair, Bush, & Ortinau, 2000). The scale descriptors are anchored by “1 = Strongly Disagree”, “2 = Disagree”, “3 = Neither Agree or Disagree”, “4 = Agree”, and “5 = Strongly Agree”.

Data Analysis

Analysis of the data proceeded in various stages and is discussed as follows.

Data Screening

Outliers were screened using results of descriptive statistics to assure that extreme values did not affect the data analysis. The assumptions of normality, linearity and homoskedasticity were tested by viewing scatter-plot diagrams and ensuring skewness and kurtosis values were mostly within specified ranges (i.e. $-1 < \text{skewness values} < +1$, $-2 < \text{kurtosis values} < +2$) (Tabachnick & Fidell, 2001).

The reliability of two studying constructs, the purchasing behaviour and the attitudes of gemstone buyers was evaluated using a reliability coefficient of Cronbach's alpha (1970).

Hypothesis Testing

This research used descriptive statistics, Mann-Whitney U test, *t*-test, and correlation analysis to test the study hypothesis and make the conclusion of the data.

The *t*-test is considered as a commonly used statistical approach to compare the means of continuous variables in two different populations (Coakes & Steed, 2003; Zikmund, 2003). Therefore, this study adopted the *t*-test to determine the difference in the purchasing behavior and the attitudes between two independent groups, Thai and foreign

gemstone buyers. The expected result was articulated by Hypothesis 1 (H1a, H1b, and H1c) and Hypothesis 2 (H2a, H2b, and H2c):

H1a: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their purchasing behavior toward the products purchased (i.e. gemstone characteristics)

H1b: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their purchasing behavior toward the price purchased

H1c: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their purchasing behavior toward the buying channels used

H2a: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their attitudes toward the trust to purchase Thai gemstones

H2b: Thai gemstone buyers and foreign gemstone are significantly different in terms of their attitudes toward the satisfaction to purchase Thai gemstones

H2c: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their attitudes toward the intention to purchase Thai gemstones

Use of the independent groups *t*-test analysis has been shown in previous studies (Anckar & D'Incau, 2002; Chen, 2007). For example, Anckar & D'Incau (2002) employed the test

to investigate whether there were significant variations in the willingness to buy between males' and females'. Kishtwaria, Sharma, Sharma, & Rana (2006) adopted *t*-test to determine the difference between awareness level towards consumer terminology and legal laws (e.g. adulteration of food stuff, using deceitful advertisement) and between sex of respondents (i.e. male and female).

Mann-Whitney U test is appropriate for comparing the means of categorical variables in two different populations (Coakes & Steed, 2003; Zikmund, 2003). This test is equivalent to the independent groups *t*- test, however appropriate for testing the data measured on nominal and ordinal scales (Coakes & Steed, 2003). It was therefore used to determine the difference between Thai and foreign gemstone buyers in terms of their buying methods and gemstone types (e.g. Ruby, Sapphire), gemstone lot-types (i.e. loose, single, calibrate), and qualities of gemstones (i.e. high, medium, low) they have bought. Use of Mann-Whitney U test in this study was inline with prior studies. For example, by adopting this test, Santhapparaj & Alam (2005) found that female staffs were more satisfied with their job (measured as a ordinal scale) than the male staffs. North, De Vos, & Kotzé (2003) found the significant difference in opinions of female buyers with regard to the importance of style and price when making decisions to buy apparel products.

Correlation analysis using a Pearson product-moment correlation coefficient is suitable to test the relationship between two continuous variables (Coakes & Steed, 2003; Zikmund,

2003). Therefore, a correlation analysis was employed to test Hypothesis 3 (H3) of the study:

H3: The buyer's purchasing behavior (towards the product strategy, the price strategy and the place strategy used by the sellers) is positively related to the buyer's attitude (shown through the satisfaction, the trust and the purchase intention) towards Thai gemstone purchasing.

Many earlier studies have used the correlation analysis to test a bivariate relationship between two continuous variables or to assure a basic assumption for a further regression analysis (e.g. De Mooij, 2000; B. Y. Kim & Kang, 2008; M. Kim & Lennon, 2000; Hou, 2005; Tiangsoongnern, 2007; Tiangsoongnern & Vuori, 2004). It was suggested that using the correlation analysis would help to assure the construct validity¹ of the constructs examined in this study (Tabachnick & Fidell, 2001).

The biographic data of respondents and the results of the hypothesis testing were presented and discussed in Chapter 4.

¹ The ability of a measure to provide empirical evidence consistent with a theory based on the concepts (Zikmund, 2003, p. 718).

CHAPTER 4: RESULTS

Introduction

The previous chapter discussed the research methodology and method of analysis used to test the hypotheses of this study. This chapter presents the results from the data analyses which were conducted in two stages: data screening and hypothesis testing. The chapter proceeds in five sections. First, the result of data collection and response rate are discussed. This is followed by data screening, and nature of the sample. The result of the hypothesis testing (including result of reliability analysis) and the result of supplementary analysis (including a correlation matrix) are then provided. The chapter concludes with a summary of the significant findings of this study.

The Results of Data Collection and Response Rate

Data was collected from gemstone buyers who visited the 43rd Bangkok Gems & Jewellery Fair 2009. A comparison of expected and actual number of responses for Thai and foreign gemstone buyers was shown in Table 2.

Table 2: Comparison of expected and actual number of responses for Thai and foreign gemstone buyers

Number of Responses	Country of Residence	
	Thai	Foreigner
Expected	200	200
Actual	109 (59.9%)	73 (40.1%)
Total	182 (100%)	

Data collection was completed in 5 days of the exhibition (February 25th – March 1st 2009). Four hundred sets of the questionnaires were expected while one hundred and eighty-four responses were received. Two sets of the responses were uncompleted; therefore a response rate of 45.5% (182 out of 400) was achieved. With the political unrest in Thailand during the exhibition session e.g. the anti-government's protestant of the United Front for Democracy against Dictatorship (UDD), so called the 'Red Shirt' in Bangkok, which has caused safety concerns to foreigners, the total number of visitors tended to be lower than other previous events (GIT, 2010). This might help to address such the fair response rate.

The majority of respondents were Thai (59.9%) and the remaining (40.1%) were foreigners. This result met the study assumption that aiming to receive an equal number of responses from Thai and foreign gemstone buyers.

Data Screening

Using a set of data screening procedures, the data was assessed for normality, skewness, kurtosis and the presence of univariate outliers before the analysis (Tabachnick & Fidell, 2001). Investigation of normal probability and scatter-plot diagram reported no serious violations. The data mostly fell in specified ranges: of $-1 <$ and $< +1$ for skewness and $-2 <$ and $< +2$ for kurtosis. Table 3 reports some of the descriptive statistics result of the study constructs and their measurement variables. The data therefore could be assumed to be normally distributed.

The 26 items underlying the purchasing behaviour construct (measured by product strategy, price strategy and place strategy) and the attitude construct (measured by trust, satisfaction and purchase intention) showed moderate reliability with a coefficient alpha of 0.70. This indicated an acceptable internal consistency of the measurement items used and the study constructs (Hair, Bush, & Ortinau, 2000; Zikmund, 2003). See Appendix A for a full set of the constructs and the measurement items used.

Table 3: Descriptive Statistics of the Study Variables

Construct/Variable	Mean	Std. Deviation
Attitude Construct		
Trust	3.8354	.4159
Satisfaction	3.8875	.4647
Purchase Intention	3.3665	.7723
Purchasing Behavior Construct		
Product	4.2474	.4137
Price	3.4667	.6387
Channel	3.2870	.7637

The Nature of the Sample

The majority of respondents were found to be gemstone dealer (47.8%), followed by jewellery retailer (25.8%), and gemstone and jewellery dealer (21.4%). They mostly were micro companies that have 1-10 employees (63.1%) (Bridge, O'Neill, & Cromie, 2003). This result was as expected because data collection was conducted in the gemstone zone of the exhibition, which was the study focus. These buyers tended to have a high level of experience in the gemstone industry, ranging from 15-20 years (31.6%), and 10-15 years (27.7%) respectively. A greater part of gemstone buyers in this study were male (65.9%).

Results also showed that gemstone buyers have relied on traditional buying method (95.6%). In other words, a face-to face contact still plays a significant role when

purchasing gemstones. Visiting gemstone exhibitions (30.6%), visiting seller companies (23.3%), calling salespersons (22.5%) and buying from travelling salespersons (17.7%) were found to be the top four popular buying methods used. In terms of the purchases through online channels (4.4%), buying from sellers' websites; buying from gemstone and jewellery e-marketplaces e.g. Polygon.net; and buying from general e-marketplaces e.g. eBay, were found to be the three most frequent used online-buying methods.

Furthermore, the majority of foreign buyers located their business in Asia (68.3%) followed by Middle East (15.9%), North America (13.4%) and Europe (2.4%) respectively. 72% of respondents have attended gemstone exhibitions approximately 3 times per year. In a typical year, the five most visiting countries were Thailand (54.8%) followed by Hong Kong (21%), China (9.2%), India (4.8%) and USA (4.5%) respectively. This result supported the information provided by recognized gemstone institutions such as the Gems Institute of Thailand (GIT) that those countries are in the group of the world leading gemstone trading countries (GIT, 2010).

Gemstone buyers in the study purchased both the precious gemstones (i.e. Ruby, Sapphire and Emerald) and the semiprecious gemstones (i.e. Zongia, Amethyst, Topaz, Quartz, Moonstone, Padparacha and others) in a proportion of 53% versus 47%, respectively. It was, however, contradict to the study of Ward, Girardi, & Tiangsoongnern (2007) found that semiprecious gemstones were more likely to be

purchased when buying through online channels. This result implied different practices in gemstone trading which would be discussed in the next chapter.

It was also found that buyers tended to purchase gemstones in the three categories of lot-types at an approximate proportion of 30% each. That was, the loose lots (buying a large amount of gemstones in varying sizes and shapes), the single piece, and the calibrated lots (buying gemstones in specific measured sizes and shapes) (Beard, 2001; Buncharoen, 2009; Phetwong, 2009; Porncharern, 2007). This was not consistent with the study of Tiangsoongnern (2007) suggested that most buyers tended to buy gemstones in the loose lots rather than as the single piece. Again, such a result highlighted diverse practices of gemstones purchasing between online buying methods and traditional buying methods which call for a further study in the area.

Moreover, buyers tended to purchase gemstones in variety qualities. Typically, the quality of gemstones has been classified by the rule of 4C's (color, clarity, cutting style and carat weight), in which a higher grade in these attributes indicating a higher quality (Buncharoen, 2009; Hughes, 1997; ICA, 2001; Liddicoat, 1993; Porncharern, 2007; Weinburg, 2001). The medium-low was found to be the most purchased quality (81%), followed by the high quality (19.0%). Whilst the study of Tiangsoongnern (2007) suggested that the medium-high was the most purchased quality when buying gemstones online, such a result re-emphasized an existence of dissimilar practices between buying

gemstones through online channels and traditional channels. It gave new understanding to the literature and would be discussed in the next chapter.

Results of Hypothesis Testing

T-test, Mann-Whitney U test, and correlation analysis were used to test the seven study hypotheses, as outlined below:

H1a: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their purchasing behavior toward the products purchased (e.g. gemstone characteristics)

H1b: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their purchasing behavior toward the price purchased

H1c: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their purchasing behavior toward the buying channels used

H2a: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their attitudes toward the trusts to purchase Thai gemstones

H2b: Thai gemstone buyers and foreign gemstone are significantly different in terms of their attitudes toward the satisfaction to purchase Thai gemstones

H2c: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their attitudes toward the intention to purchase Thai gemstones

H3: The buyer's purchasing behavior (towards the product strategy, the price strategy and the place strategy used by the sellers) is positively related to the buyer's attitude (shown through the satisfaction, the trust and the purchase intention) towards Thai gemstone purchasing.

Support of H1a was not found in this study. There was no evidence of a statistical difference between Thai gemstone buyers and foreign gemstone buyers in terms of their purchasing behavior toward the products purchased (Sig. = 0.853, $p > 0.05$). Both of the Thai and foreigner gemstone buyers have considered similar gemstone characteristics: treatment disclosure e.g. heating, authenticity; origin; color; clarity; variety of gemstones type offered; and selective available (able to select and buy some parts of the whole gemstone lot), when purchasing gemstones. This result supported a practical guideline for buying gemstones (Hughes, 1997; ICA, 2001; Netco & Weinburg, 2001; Phetwong, 2009; Porncharern, 2007; Weinburg, 2001). Thus, these gemstone characteristics could be considered as the international standard set to purchase gemstones.

In regards to H1b, there was no support of a statistical difference between Thai gemstone buyers and foreign gemstone buyers in terms of their purchasing behavior toward the

price purchased (Sig. = 0.109, $p > 0.05$). Both of the Thai and foreign gemstone buyers had similar level of agreement (mean = 3.40 and 3.56) toward the price strategy used by the seller. They agreed that charging a higher price for a better gemstone quality; having a standard price for the same gemstone quality; and offering flexible payment methods, are general practices for most sellers. In other words, sellers should re-consider / adapt these strategies should they aim to differentiate the gemstone market using the price strategy as a segmentation criterion.

Support of H1c was found in this study. Thai gemstone buyers and foreign gemstone buyers are different in terms of their purchasing behavior toward the place (distribution channel) strategy used by the seller. Buying gemstones using face-to-face contact (Sig. = 0.00, $p < 0.05$) was more likely to be used by the foreigner buyers (mean = 4.72) than the Thai buyers (mean = 4.37). The result implied that gemstone buyers seemed to rely on their own vision when inspecting the quality of gemstones; and this was more obvious in foreign gemstones buyers. Again, this finding supported suggestions of practitioners in gemstone industry (e.g. Buncharoen, 2009; ICA, 2001; Phetwong, 2009; Porncharern, 2007) and some previous academic studies (e.g. Tiangsoongnern & Vuori, 2004 and Tiangsoongnern, 2007).

H2a was support in this study (Sig. = 0.017, $p < 0.05$). That was, Thai gemstone buyers and foreign gemstone buyers are different in terms of their attitudes toward the trust to

purchase Thai gemstones. Foreign gemstone buyers were more likely to pay higher attention on the attributes relating to the trust than Thai gemstone buyers' (mean = 3.93 and 3.77). Offering warranty/guarantee was found to be the most considered attribute, followed by a length of relationship, good reputation, offering a return policy within inspection period, salesperson influence, and a company size, respectively. Previous studies such as Tiangsoongnern (2007) found the direct effects of trust on the purchasing behavior of gemstone buyers. However, that study used the frequency of purchase to measure the (level of) purchasing behavior through online channels while this study focused on examining gemstone purchasing through traditional methods. The result of this study therefore contributed new understanding to the relevant literature using empirical evidence from gemstone purchasing through traditional methods e.g. visiting gemstone exhibitions and visiting seller's office, which has been rarely explored in an academic study.

Thai buyers and foreign buyers were found to have different attitudes toward the satisfaction to purchase Thai gemstones (H2b) (Sig. = 0.022, $p < 0.05$). Foreign buyers tended to be more satisfied with buying Thai gemstones than Thai buyers' (mean = 3.98 and 3.82). A satisfaction from ability to make profit when reselling Thai gemstones was deemed the most considered rationale while a satisfaction to deal business with Thai sellers was regarded the least considered rationale. This finding was in line with a common goal of profit organizations (e.g. Bridge, O'Neill, & Cromie, 2003).

Support of H2c was not found in this study ($p>0.05$). Thai buyers and foreign buyers showed a similar level of intention to purchase Thai gemstones (mean = 3.37 and 3.36). It was unlikely to predict whether they would buy Thai gemstones or would buy more Thai gemstones in the future. This result was not expected, and hence provided additional knowledge to the body of literature in this area. It also implied that other factors might take part in this occurrence, which would be addressed in the next chapter.

Table 4 showed a support of H3 in this study. The buyer's purchase behavior (towards the product strategy, the price strategy and the place strategy used by the seller) is positively related to the buyer's attitudes (shown through the satisfaction, the trust and the purchase intention) towards Thai gemstone purchasing ($r = .246, p<0.01$). The more the buyers deemed the marketing strategies used by the sellers met their performance expectation, the higher the buyers' satisfaction, the buyers' trust, and the buyers' purchase intention towards Thai gemstones purchasing.

Table 4: Correlation of the Study Constructs

	Construct: Purchasing Behavior*and Attitudes**
Pearson Correlation (r)	0.246***
Sig. (2-tailed)	0.001

Note:

* Purchasing behavior construct was measured by the product, the price and the channel strategy

**Attitudes construct was measured by the satisfaction, the trust and the purchase intention

*** Correlation is significant at the 0.01 level

Results of Supplementary Analysis

A correlation analysis was used to examine the relationship among the measurement variables i.e. the product strategy, the price strategy and the place (channel) strategy which underlying the purchase behaviour construct; and the satisfaction, the trust and the purchase intention which underlying the attitude construct. Table 5 reports the existence of correlation among the majority of these measurement variables ($p < 0.05$ and $p < 0.01$).

Table 5: Correlation Matrix of the Study Variables

Variables	Correlation	Purchase Intention	Trust	Satisfaction	Product	Price
TRUST	Pearson Correlation	.161*				
	Sig. (2-tailed)	.031				
Satisfaction	Pearson Correlation	.361**	.375**			
	Sig. (2-tailed)	.000	.000			
Product	Pearson Correlation	.204**	.068	.066		
	Sig. (2-tailed)	.006	.362	.379		
Price	Pearson Correlation	.228**	.407**	.158*	.155*	
	Sig. (2-tailed)	.002	.000	.035	.038	
Channel	Pearson Correlation	-.030	.121	-.023	-.142	.330**
	Sig. (2-tailed)	.690	.106	.757	.056	.000

*Correlation is significant at the 0.05 level

**Correlation is significant at the 0.01 level

Result of supplementary analysis gave additional insight to the support of H3. The product strategy and the price strategy utilized by the seller were found to have a positive relationship with the purchase intention of gemstone buyer ($p < 0.01$). The more the buyer was provided with information about gemstone characteristics (e.g. treatment disclosure, authenticity, origin, clarity), the higher the buyer's intention to purchase Thai gemstones ($r = 0.204$, $p < 0.01$). This result corroborated practitioner's suggestions (e.g. Beard, 2001; Buncharoen, 2009; ICA, 2001; Porncharern, 2007; Weinburg, 2001) that buyers should consider these attributes when purchasing gemstones. Furthermore, buyers were likely to have a higher purchase intention, if sellers used a standard pricing (for the same quality of gemstones) and offered flexible payment methods such as payment by installments ($r = 0.228$, $p < 0.01$). This result suggested optional pricing strategies for gemstone sellers.

Similarly, the price strategy used by the seller was also found to have positive correlation with the trust ($r = 0.407$, $p < 0.01$) and the satisfaction ($r = 0.158$, $p < 0.01$) to purchase Thai gemstones. That was, the more the sellers utilized a standard pricing (for the same quality of gemstones) and offered flexible payment methods, buyers tended to have a higher satisfaction and a higher trust to buy Thai gemstones. This finding suggested an alternative option to capture buyer's trust, buyer's satisfaction and buyer's purchase intention for gemstone sellers.

There also emerged correlation between measurement variables underlying the attitude construct in the study. The higher the buyer's satisfaction, the more the buyer's trust to purchase gemstones ($r = 0.375$, $p < 0.01$). Moreover, the buyer's intention to purchase Thai gemstones was likely to increase following the higher buyer's satisfaction ($r = 0.361$, $p < 0.01$) and the higher buyer's trust ($r = 0.161$, $p < 0.05$). Such the relationship between buyer's trust and buyer's satisfaction was consistent with previous studies (Hou, 2005; North, De Vos, & Kotzé, 2003; Wonglorsaichon, 2002). However, their findings were drawn from the purchase of products categories other than gemstones e.g. apparel (e.g. Hou, 2005; North, De Vos, & Kotzé, 2003), and automobile tire (e.g. Wonglorsaichon 2002). Similarly, the relationship between buyer's satisfaction and buyer's purchase intention was suggested in prior studies (e.g. Harrison & Shaw, 2004); nevertheless it was derived from examining service sectors such as a museum visit. Therefore, the results of this study provided new insight into the literature in these areas.

The pattern of correlations in this study partly supported the discriminant validity² of the constructs examined (Zikmund, 2003). There was no significant relationship between biographical data (e.g. respondent's country of residence, company type, gemstone type,

² The ability to predict the probability that an object will belong in one of two or more mutually exclusive categories (Zikmund, 2003).

gemstone lot-type, and number of visits), and the purchase behaviour and the attitude ($p>0.05$).

A correlation analysis also revealed a significant relationship among number of visits, years of experience, and number of employees. The higher the years of experience, the higher the number of visits ($r=0.281$, $p<0.01$). Employees in larger companies (with a higher number of employees) tended to have higher years of experience ($r=0.210$, $p<0.01$). Moreover, such companies were more likely to visit gemstone exhibitions often than smaller companies (with a lower number of employees) ($r=0.196$, $p<0.05$).

Results of Mann-Whitney U test reported a significant difference between some measurement variables underlying the purchasing behavior and the attitudes of Thai and foreign gemstone buyers. Foreign gemstone buyers tended to use a gemstone exhibition visit and a seller organization visit more often than Thai gemstone buyers ($p=0.001$, $p=0.005 <0.01$).

It was also revealed that when making decision to buy gemstones, both Thai and foreign gemstone buyers have considered five most important attributes. These were the “Seller’s offering return policy within inspection period” (33.5%), followed by the “Seller’s offering warranty/guarantee on gemstone bought” (18.7%), the “Seller’s

reputation” (13.7%), the “Seller’s offering a selective option (able to select and buy some parts of the whole gemstone-lot)” (11%), and the “Seller’s closure of the gemstone authentic” (7.7%), respectively. The finding suggested a possible set of focusing attributes for gemstone seller to appeal buyers.

Chapter Summary

This chapter presented the statistical results of the hypothesis testing and supplementary analysis. The research question and the hypotheses were answered. As shown in Table 6, significant results have been found to support the study hypotheses.

Table 6: Summary of Hypothesis Results

<p>H1a: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their purchasing behavior toward the products purchased (e.g. gemstone characteristics)</p> <p>H1b: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their purchasing behavior toward the price purchased</p> <p>*H1c: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their purchasing behavior toward the buying channels used</p>
<p>*H2a: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their attitudes toward the trusts to purchase Thai gemstones</p> <p>*H2b: Thai gemstone buyers and foreign gemstone are significantly different in terms of their attitudes toward the satisfaction to purchase Thai gemstones</p> <p>H2c: Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their attitudes toward the intention to purchase Thai gemstones</p>
<p>*H3: The buyer's purchasing behavior (towards the product strategy, the price strategy and the place strategy used by the sellers) is positively related to the buyer's attitudes (shown through the satisfaction, the trust and the purchase intention) towards Thai gemstone purchasing.</p>
<p>Note: *Significant hypothesis at the 0.05 level</p>

For the purchasing behavior construct, it was found that Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of the place strategy used to buy Thai gemstones. Buying gemstones using face-to-face contact was more likely to be used by the foreign buyers than the Thai buyers. In regards to the attitude construct, it

was evident that Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their trust and their satisfaction to purchase Thai gemstones.

Moreover, it was found that the buyer's purchase behavior (towards the product, the price and the place strategy used by the sellers) is positively related to the buyer's attitude (shown through the satisfaction, the trust and the purchase intention) towards Thai gemstone purchasing. This study also provided supplementary findings, which contributed new insight into the relevant literature and the gemstone industry.

Chapter 5 will present a discussion of the findings of this study, with an outline of the theoretical and practical implications, limitations, and suggestions for future research.

CHAPTER 5: DISCUSSION AND CONCLUSIONS

Introduction

The objective of this study was to examine the following issues:

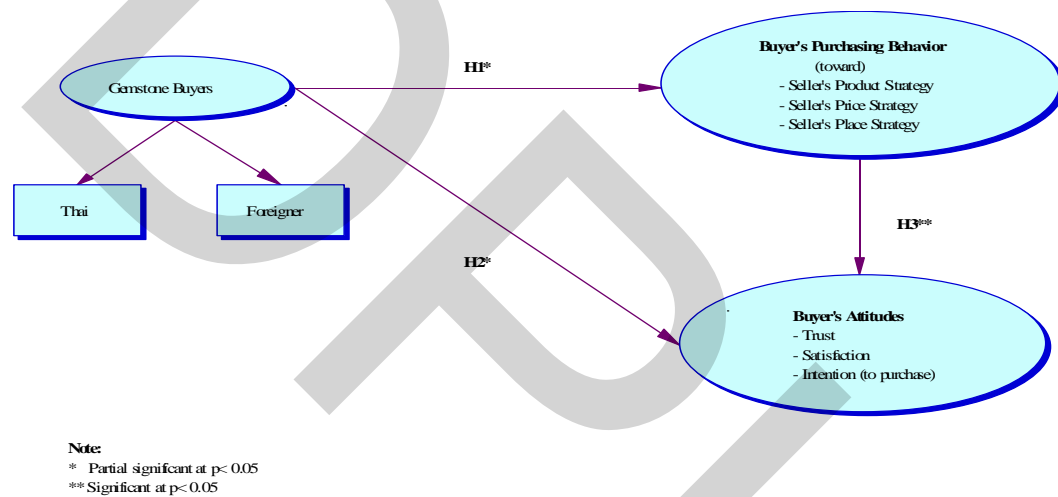
- To determine the purchasing behavior and the attitudes of buyers toward Thai gemstones purchasing
- To determine the differences between the purchasing behavior and the attitudes (toward Thai gemstones purchasing) of Thai buyers and foreign buyers
- To determine the relationship between the purchasing behavior and the attitudes of buyers toward Thai gemstones purchasing

The review of previous literature provided the foundation for the development of seven hypotheses which aimed to verify each of the above objectives. These three objectives framed the format of the research design in which the purchasing behavior and the attitudes of gemstone buyers, the differences in the attitudes and the purchasing behavior of gemstone buyers, and the relationship between the buyer's attitudes and the buyer's purchasing behavior, toward Thai gemstones could be examined.

Summary of Results

Figure 2 shows the summary of results for each of the study hypotheses in the conceptual framework. This is discussed as follows.

Figure 2: The Result of Hypothesis Test



This study aims to answer three research problems, “What are the purchasing behavior and the attitudes of buyers toward Thai gemstones?”; “Do the purchasing behavior and the attitudes of Thai and foreign buyers toward Thai gemstones differ; and “Is there a relationship between the purchasing behavior and the attitudes of Thai gemstone buyers?” The first and the second research question were tested using two sets of three specific hypotheses (H1a, H1b and H1c; and H2a, H2b and H2c) and the result of

biographical data. One hypothesis (H3) was proofed to answer the third research question.

Previous literature has documented studying the purchasing behavior and the attitudes of buyers when buying several product categories. For example, articulating the attitudes using buyer's trust and buyer's satisfaction when purchasing apparel through online channel (e.g. Hou, 2005); describing the attitudes in terms of buyer's satisfaction and buyer's purchase intention in the automobile tire industry (e.g. Wonglorsaichon, 2002). It can be seen that the specific product category such as gemstone has been rarely explored, especially as an academic research. These gaps in the literature gave rise to the first research question, by asking what are the purchasing behavior and the attitudes of buyers toward Thai gemstones purchasing.

As discussed previously in Chapter 2, the purchasing behavior of gemstone buyers in this study was measured by the product strategy, the price strategy and the place (distribution channel) strategy used by the seller. In regards to the product strategy, there was no significant difference between the gemstone types bought by the Thai and foreign gemstone buyers. Buyers in this study have traded both precious gemstones (i.e. Ruby, Sapphire and Emerald) and semi-precious gemstones (e.g. Zongia, Amethyst, and Padparacha (orange sapphire)). While there seems to have an apparent line between sellers in these two markets (precious gemstones and semi-precious gemstones) (e.g.

Buncharoen, 2009; Phetwong, 2009; Porncharern, 2007), this result implies a change of business practices in the gemstone industry. The economic recession in recent years (e.g. Gazette, 2010; Willis, 2009) may account for this phenomenon. Precious gemstone market is generally considered as higher in terms of the value and quality of gemstones that have been trading although regarded as less variety than the semi-precious gemstone market (Beard, 2001; ICA, 2001). It is therefore likely that expanding business's product line to capture both the precious gemstones and the semi-precious gemstones may help to increase business potential and hence boost sales.

It was also found that Thai gemstone buyers were more likely to buy the loose gemstones than foreign gemstone buyers. Furthermore, this study found that Thai and foreign buyers generally bought all of the gemstone qualities: low, medium and high. Again, this result signified that sellers have attempted to adapt their product strategy to better respond to recent economic recession, for example, by offering a more variety of gemstone qualities rather than focusing on a particular quality category (e.g. high, low); in other words expanding business range. This finding implies a change and possible trend of business practice in gemstone industry.

While a typical guideline for gemstone purchasing has suggested buyers to examine gemstone for its four major characteristics, 4C's: colors, clarity, cutting and carat weight (Beard, 2001; Hughes, 1997; ICA, 2001), it was found both Thai and foreign gemstone

buyers in this study have also considered other important attributes which related to the trust (Morgan & Hunt, 1994). These were “seller’s offering return policy within inspection period”, followed by “seller’s offering warranty/guarantee on gemstone bought”, and “seller’s reputation”. This finding supported the result of H2a and somewhat corroborated with the findings of Tiangsoongnern (2007) and Ward, Girardi & Tiangsoongnern (2007) that these trust relating attributes were likely to help increase buyer’s purchasing volume. The result of this study re-emphasized the link between these trust relating attributes and the buyer’s consideration to buy gemstones both via traditional offline channels (e.g. visit gemstone exhibitions) or via online channels (e.g. gemstone and jewelry websites). This finding hence suggested optional strategies to deal with buyer’s trust to purchase gemstones for sellers.

Six specific hypotheses (H1a, H1b and H1c; and H2a, H2b and H2c) were tested to answer the second research question: “Do the purchasing behavior and the attitudes of Thai and foreign buyers toward Thai gemstones differ?”

Support of H1a was not found in this study. There was no evidence of a statistical difference between Thai gemstone buyers and foreign gemstone buyers in terms of their purchasing behavior toward the product purchased (e.g. gemstone characteristics). They have considered similar gemstones characteristics: treatment disclosure e.g. heating; origin; color; clarity; variety of gemstones types offered; and ability to select and buy

some parts of the whole gemstone lot, when purchasing gemstones. The result was consistent with a common guideline for gemstone inspection (Hughes, 1997; ICA, 2001; Netco & Weinburg, 2001; Phetwong, 2009; Porncharern, 2007; Weinburg, 2001). Moreover, because the finding was derived from representative of gemstone buyers across several countries such as Thailand, India, USA and EU, such the gemstone characteristics could be considered as the international standard set to purchase Thai gemstones.

There was no support of a statistical difference between Thai gemstone buyers and foreign gemstone buyers in terms of their purchasing behavior toward the price strategy used by the seller (H1b). In other words, they have considered that charging a higher price for a better gemstone quality; having a standard price for the same gemstone quality; and offering flexible payment methods e.g. payment installments are common practices across Asian and Western gemstone buyers. The result implied that these pricing strategies did not seem to be efficient methods to segment the gemstone market should it was categorized by demographical bases such as country of residence. Comparing with the above finding that both Thai and foreign gemstone buyers have considered sellers' use of trust relating strategies (e.g. offering warranty/guarantee on gemstone bought; offering return policy within inspection period; and seller's reputation) (p. 42), it signified that gemstone buyers considered these trust related strategies more

important to their buying decision than the pricing strategies. This result gave new understanding to the literature and gemstone traders.

Support of H1c was found in this study. Thai gemstone buyers and foreign gemstone buyers are different in terms of their purchasing behavior toward the place strategy used by the seller. Foreign buyers were more likely to buy gemstones using face-to-face contact e.g. visit gemstone exhibitions. The finding supported suggestions of practitioners in gemstone industry (e.g. Buncharoen, 2009; ICA, 2001; Phetwong, 2009; Porncharern, 2007) and previous academic studies (e.g. Tiangsoongnern, 2007; Tiangsoongnern & Vuori, 2004) that without appropriate inspection technologies (e.g. hardness test in laboratory), gemstone buyers should rely on their own vision. This finding has suggested that buying gemstones using face-to-face contact remains the most used method for most gemstone buyers.

H2a was support in this study. Thai gemstone buyers and foreign gemstone buyers are different in terms of their attitudes toward the trust to purchase Thai gemstones. Foreigner gemstone buyers tended to pay higher attention on the attributes relating to the trust than Thai gemstone buyer. Previous studies (e.g. Ward, Girardi & Tiangsoongnern, 2007) found a negative relationship between buyer's trust and buyer's perceived risk when buying gemstones. Therefore, it could be assumed that foreign buyers perceived it was more risky to purchase gemstones than Thai buyers. Psychologically, Thai buyers

might be feeling more comfortable to buy gemstones in hometown while foreign buyers might be feeling uncertainty (e.g. less familiar with Thais and Thai's business ritual), might account for this finding. Moreover, both Thai and foreign gemstone buyers considered the offering a return within inspection period the most important attribute to their purchasing consideration, followed by offering warranty/guarantee, a length of relationship, good reputation, salesperson influence, and a company size, respectively. This result was consistent with the findings of previous studies (e.g. Tiangsoongnern, 2007) which have drawn evidence from gemstone purchasing via online channels. It therefore could be suggested that these trust relating attributes remained important to buyers' consideration whether buying via traditional methods (e.g. visit gemstone exhibitions) or online methods (e.g. gemstone and jewellery websites). In addition, offering a return policy within inspection period and offering warranty/guarantee were deemed the two most important attributes in both buying modes. This finding also gave practical implications to practitioners in gemstone industry and new theoretical implication to the relevant literature.

Support of H2b was found in this study. Thai buyers and foreign buyers were found to have different attitudes toward the satisfaction to purchase Thai gemstones. Foreign buyers tended to be more satisfied with buying Thai gemstones than Thai buyer. A satisfaction from ability to make profit when reselling Thai gemstones was the most considered rationale. The result supported general business practice because this reason is

a common goal for most profit organizations (e.g. Bridge, O'Neill, & Cromie, 2003) including gemstone industry. This does not mean that the pricing of gemstones in Thailand is lower than those in the world market. The pricing may be higher yet there remains a room for making profit.

Support of H2c was not found in this study. Thai gemstone buyers and foreign gemstone buyers are not different in terms of their attitudes toward the intention to purchase Thai gemstones. It was unlikely to predict whether they would buy Thai gemstones or would buy more Thai gemstones in the future. The purchase intention of organizational gemstone buyers (buy to resell/make profit) could be influenced by several factors. For example, the changes in buyers' needs e.g. a varying need in particular types of gemstones across time (e.g. Beard, 2001; Buncharoen, 2009; GIT, 2010; Pornchareon, 2007). For instance, the semi-precious gemstone, namely "Padparacha (orange sapphire)" has emerged as a newly popular Thai gemstone since 2006. Additionally, the appearance of the new gemstone called "Zongia" (yellow sapphire from Africa's mines) which has become popular in the middle market of gemstone trading in recent years. These phenomenons may help to explain this lack of H2c support. This finding was not expected, and hence provided additional knowledge to the body of literature in this area. It also implied that other factors might take part in this occurrence, which needs a call for future study.

A support of H3 was found in this study. The more the buyers deemed the marketing strategies used by the sellers met their performance expectation, the higher the buyers' satisfaction, the buyers' trust, and the buyers' purchase intention towards Thai gemstones purchasing. This result supported prior studies. For example, Ward, Girardi & Tiangsoongnern (2007) found a positive influence of buyer's trust on the purchasing behavior (purchase volume) of gemstone buyers. Nevertheless, the finding was derived from gemstone purchasing via online methods e.g. websites of sellers, gemstone and jewelry e-marketplaces. Stack (2009) found a relationship between customer purchase behavior (measured by the particular model of marketing strategy: people, personal, place, price, product and promotion) and the purchasing decision of undergraduate and postgraduate students to enroll at the university. However, these findings were drawn from exploring educational products and services (Stack, 2009) or buying gemstones online (Tiangsoongnern, 2007). Whether the relationships can be generalized to gemstone purchasing using traditional buying methods e.g. visit gemstone exhibition, has not been examined. The result highlighted the need for further study in this area.

Result of supplementary analysis gave additional insight into the support of H3. The product strategy and the price strategy used by the seller were found to have a positive relationship with the purchase intention of gemstone buyer. The more the buyer was provided with information about gemstone characteristics (e.g. treatment disclosure, authenticity), the higher the buyer's purchase intention. Furthermore, buyers were likely

to have a higher purchase intention, if sellers used a standard pricing (for the same quality of gemstones) and offered flexible payment methods such as payment by installments. In regards to the attitudes of buyers, the price strategy used by the seller was also found to have positive correlation with buyer's trust and buyer's satisfaction to purchase Thai gemstones. It might be assumed that buyers should have higher satisfaction and higher trust when sellers adopted pricing strategies such as offering standard pricing (for the same quality of gemstones) and offering flexible payment methods. These findings suggested possible pricing strategies to increase the purchase intention, the satisfaction and the trust of gemstone buyers.

Theoretical Implications

Results of this study have contributed to the gaps in the relevant literature in the following ways. First, exploring the purchasing behavior (measured by the product strategy, the price strategy, and the place strategy used by seller) and the attitudes (toward the satisfaction, the trust and the purchase intention) of gemstone buyers; the differences in the purchasing behavior and the attitudes between Thai and foreign gemstone buyers; and the relationship between the purchasing behavior and the attitudes of buyers when purchasing high involvement, complicated products such as gemstones which have been largely ignored in the purchasing literature, has been addressed and documented.

This study has found that Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their purchasing behavior toward the buying channels used (H1c). Buying gemstones using face-to-face contact was more likely to be used by foreigner buyers than Thai buyers. Moreover, Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their attitudes toward the trust to purchase Thai gemstones (H2a). Foreigner gemstone buyers tended to pay higher attention on the trust relating attributes than Thai gemstone buyers. The “offering return policy within inspection period” attribute was found to be the most considered attribute when purchasing gemstones. This attribute could be one of the possible strategies for seller to deal with buyer’s trust to purchase gemstones. Additionally, it was found that Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their attitudes toward the satisfaction to purchase Thai gemstones (H2b). Foreign buyers tended to be more satisfied with buying Thai gemstones than Thai buyers. A satisfaction from ability to make profit when reselling Thai gemstones was deemed the most considered rationale. This finding gave new knowledge to the purchasing behavior and attitude literature using evidence from academic research.

Second, given the support of H3 found in this study, it is now apparent that the buyer’s purchasing behavior (towards the product strategy, the price strategy and the place strategy used by the sellers) is positively related to the buyer’s attitude (shown through the satisfaction, the trust and the purchase intention) towards Thai gemstone purchasing.

The more the buyers deemed the marketing strategies used by the sellers met their performance expectation, the higher the buyers' satisfaction, the buyers' trust, and the buyers' purchase intention towards Thai gemstones purchasing. As such, a support for H3 has contributed to a number of issues which have been neglected in those past studies. First, this research has examined the role of attitudes and the purchasing behavior toward Thai gemstone purchasing in the one study. Second, this study has explored the purchasing behaviour of buyers using the particular mix of marketing strategies (the product strategy, the price strategy, and the place strategy). This research therefore has helped to confirm the relationship between attitudes and purchasing behaviour of gemstone buyers, and has contributed new academic evidence from the purchasing of high involvement, complicated products such as gemstones to the literature.

Third, the findings of this study have provided a new paradigm to explore the purchasing behavior and the attitudes of gemstone buyers by comparing between Thai and foreigners. This incorporates organizational buyer's perceptions (attitudes and evaluation) toward seller's implementation of marketing strategies (the product strategy, the price strategy and the place strategy). Whilst the growing body of the purchasing literature has focused on a consumer perspective, there is little research which explores such relationship using organizational standpoint. In particular, this study has found the difference between the purchasing behavior and the attitudes of Thai and foreign buyers

toward Thai gemstone purchasing, which seller should consider when conducting market segmentation by demographical bases such as a buyer's country of residence.

Finally, as discussed in the introduction chapter this study has developed a theoretical framework that has examined the purchasing behavior using the particular marketing strategy model (the product strategy, the price strategy, and the place strategy) which has been specifically developed to explore the high involvement, complicated and risky products such as gemstones. This model helps to expand knowledge from previous studies (e.g. Tiangsoongnern, 2007 and Ward, Girardi & Tiangsoongnern, 2007) using new evidence from buying gemstones via traditional methods such as visit gemstone exhibitions and visit seller's organization.

Practical Implications

From a practical perspective, results from exploring the buyer's purchasing behavior (towards the product strategy, the price strategy and the place strategy used by the sellers) and the buyer's attitude (shown through the satisfaction, the trust and the purchase intention) towards Thai gemstone purchasing in this study has important strategic implications for three parties: sellers, buyers and the gemstone industry. First, from a managerial viewpoint, the results have provided a possible framework to effectively comprehend a buyer's purchasing behavior and manage a buyer's satisfaction and trust to

purchase high involvement and complicated products, such as gemstones. Sellers can use the knowledge provided to develop and implement effective strategies to better satisfy gemstone buyers in different market segments. For example Thailand, China, and USA. These findings therefore assist marketers by providing alternatives to develop strategic plans to deal with sales management. For example,

- Expand business's product line to offer both the precious gemstones and the semi-precious gemstones market.
- Offer variety of gemstone qualities rather than focus on the particular gemstone quality (e.g. high or low).
- Expand business range to cover the lower gemstone market (e.g. loose gemstone) or the higher gemstone market (e.g. single gemstone).
- Use the possible trust relating strategies to increase buyer's purchase intention (e.g. offering warranty/guarantee and offering return policy within inspection period).
- Use the possible pricing strategies to leverage the purchase intention, the satisfaction and the trust of gemstone buyers (e.g. offering a standard pricing for the same quality of gemstones and offering flexible payment methods such as payment by installments).

From a buyer's viewpoint, buyers could benefit from the seller's implementation of the results (marketing strategies) suggested in this research. Implementations of strategies

and practices previously discussed which benefit sellers, only do so because these strategies can bring about a more personalized environment for buyers in different market segments (e.g. Thai and overseas) and hence can better satisfy gemstone buyers.

Lastly, the results from this study should provide in industry strategies for increasing the level of gemstone trading. For example, the environment in which a buyer has been more customized by sellers' offering particular marketing strategies, is likely to increase the buyer's satisfaction and leverage the buyer's intention to purchase Thai gemstones. Therefore, the findings can assist in boosting a trade volume of Thai gemstone and jewelry industry as a whole. In summary, the results of this study have provided a possibly alternative area for trading the high involvement, complicated and risky products such as gemstones.

Limitations of the Study

There exist some limitations inherent in the findings of this study which pertain to the methodology used. Although the research demonstrates significant findings, these have been derived from a sole study. The first limitation is the sample size used in this study. The results obtained from a sample size of 182 gemstone buyers (109 Thais and 73 foreigners) may lack generalizability, although it was taken from a relevant population of

interest. The overall smaller size of the population of gemstone buyers in this study means that sampling error in this study would be expected.

The second limitation of this study emerged in the use of new scales developed to tap the buyer's purchasing behavior measured by the particular set of marketing strategies used by the seller (the product strategy, the price strategy and the place strategy); and the attitudes measured by the satisfaction, the trust and purchase intention of gemstone buyers. Although these scales have been constructed from suggestions of past studies, their validity has never been verified. This needs to be carefully considered in future studies.

The influence of other variables on the study result was not considered, and can be regarded as another limitation of the study. For instance, psychological constructs such as the perceived risk (e.g. feeling of uncertainty) of gemstone buyers was not considered in this study as having an influence over the buyer's purchasing behavior and buyer's attitudes to purchase gemstones. This followed the studies of Tiangsoongnern (2007) and Ward, Girardi & Tiangsoongnern (2007) who have suggested the negative impact of perceived risk on the buyer's attitudes i.e. trust to purchase gemstones. Moreover, micro factors such as a change of buyer's demand in particular gemstone types; macro factors such as economic recession and government subsidized schemes; and other psychological factors such as buyer's personality and buyer's learning which have been suggested as

having influence on buyer's decision making (Kotler & Keller, 2009; Perner, 2000; Schiffman & Kanuk, 2009) and on business performance, can be investigated as the mediating variables or moderating variables on the relationship between the purchasing behavior and the attitudes of gemstone buyers found in this study (H3).

Directions for Future Study

This study lends support to the research aiming to determine the purchasing behavior and the attitudes of buyers toward Thai gemstones purchasing; to determine the differences between the purchasing behavior and the attitudes of Thai buyers and foreign buyers; and to determine the relationship between the purchasing behavior and the attitudes of buyers toward Thai gemstones purchasing. The aforementioned limitations do provide some interesting alternatives for a future study. Additionally, there exist other possible issues that could be further examined.

First, as discussed in the last limitation issue of this study, future studies should consider investigating mediating effects or moderating effects of psychological constructs such as buyer's perceived risk (Tiangsoongnern, 2007; Ward, Girardi, & Tiangsoongnern, 2007) and buyer's personality, a buyer's learning and macro factors (Kotler & Keller, 2009; Perner, 2000; Schiffman & Kanuk, 2009) on the relationship between the purchasing behavior and the attitudes of gemstone buyers. Further examination could help to warrant the existence of mediating effects or moderating effects on such the relationship.

Second, future research could be conducted with re-examining the lack of support for H1a and H1b: there was no evidence of a statistical difference between Thai gemstone buyers and foreign gemstone buyers in terms of their purchasing behavior toward the products purchased and the price strategy used by the seller; and H2c: Thai gemstone buyers and foreign gemstone buyers are not different in terms of their attitudes toward the intention to purchase Thai gemstones. As discussed previously, the limitation in terms of small sample size of this study may account for this lack of support hypothesis. These can help to call for a replicated future study in order to affirm these findings.

Lastly, to address the limitation in terms of a small sample size and a fair response rate of 45.5%, this study could be replicated in the broader context of cross-sectional study. Given the Bangkok Gems and Jewellery Fair is considered as the biggest gemstone exhibition in Thailand and it is organizing twice a year, typically in March and September (TGJTA, 2010), repeating data collection in the years which normal political environment resuming may yield a higher response rate that helps to boost the explanation power of future research.

Concluding Remarks

Buyer's purchasing behavior, buyer's attitudes and their measurement variables; the relationship between buyer's purchasing behavior and buyer's attitudes; and a comparison of the purchasing behavior and the attitudes of buyers from different country profile: have been examined by a number of scholars. Although there has been extensive research on these issues, exploring whether these relationships could be generalized to the specific area of gemstones purchasing, have not been investigated. Previous studies tend to explore buyer's purchasing behaviour, buyer's attitudes using evidence from low involvement, less complicated, and hence low risk products or services such as convenient goods, apparel, fast food, or mobile communication services. Furthermore, past research has examined these issues based on a consumer's perspective rather than an organisational buyer's viewpoint.

The main objective of this study was aiming to determine the purchasing behavior (measured by the product strategy, the price strategy and the place strategy used by the seller) and the attitudes (toward the trust, the satisfaction and the purchase intention) of buyers toward Thai gemstones purchasing; to determine the differences between the purchasing behavior and the attitudes of Thai buyers and foreign buyers; and to determine the relationship between the purchasing behavior and the attitudes of buyers toward Thai gemstones purchasing. This research study has proposed to measure the purchasing behavior of gemstone buyers by the particular set of marketing strategies: the

product strategy, the price strategy and the place strategy, used by the seller which is rarely adopted in prior research. This study found no significant difference between the gemstone types bought by the Thai and foreign gemstone buyers. They have traded both precious gemstones (i.e. Ruby and Sapphire) and semi-precious gemstones (i.e. Zongia and Amethyst). Also, this study demonstrated that Thai gemstone buyers and foreign gemstone buyers generally trade all gemstone qualities: low, medium and high. In regards to buyer's attitudes, it was found that when making decision to buy gemstones, both Thai buyers and foreign buyers have considered several trust relating attributes. For example, "seller's offering return policy within inspection period", "seller's offering warranty/guarantee on gemstone bought", and "seller's reputation".

This study has found that Thai gemstone buyers and foreign gemstone buyers are significantly different in terms of their purchasing behavior toward the buying channels used. Buying gemstones using face-to-face contact e.g. visit gemstone exhibitions was more likely to be used by foreigner buyers than Thai buyers. However, they have considered this buying method the most used for gemstones purchasing. It was also found that foreign gemstone buyers were more likely to pay higher attention on the trust relating attributes than Thai gemstone buyers. Seller's offering a return policy within inspection period was found to be the most considered attribute when asking about the trust to purchase gemstones. Additionally, it was revealed that foreign buyers tended to be more satisfied with buying Thai gemstones than Thai buyers. In particular, a satisfaction from

ability to make profit when reselling Thai gemstones was deemed the most considered rationale. Finally, this study found a significant positive relationship between the buyer's purchasing behavior (towards the product strategy, the price strategy and the channel strategy used by the sellers) and the buyer's attitudes (shown through the satisfaction, the trust and the purchase intention) towards Thai gemstone purchasing. The more the buyers deemed the marketing strategies used by the sellers met their performance expectation, the higher the buyers' satisfaction, the buyers' trust, and the buyers' purchase intention towards Thai gemstones purchasing. These results help to confirm that such the relationship which has been suggested in prior studies could be generalized to the specific industry of gemstones.

Finally, the findings of this study can be considered as valid and reliable, based on the statistical methods used. Results have both theoretical and practical implications and provided several possible avenues for future study. However, some limitations as discussed earlier should be considered in generalizing the results of this study. Despite these limits this study has advanced a theoretical model which has good explanation power, using validated methods.

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APPENDIX A



DHURAKIJ PUNDIT UNIVERSITY

Research Title **“Purchasing Behavior and Attitudes of Gemstone Buyers toward Thai Gemstones”**

I am a lecturer of the Dhurakij Pundit University International College (DPUIC), Bangkok. I am conducting the research to identify the purchasing behavior and attitudes of organizational buyers toward gemstones bought in Thailand. Results obtained from this study are expected to provide new knowledge to the literature; provide sellers with alternative strategies to satisfy customers; and provide the gemstone industry with alternatives ways to increase the market size of gemstones trading.

Should you have any queries or concerns, please feel free to contact me directly. Thank you very much in advance for your time.

Best regards,

Leela

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Questionnaire

Purchasing Behavior and Attitudes of Buyers toward Thai Gemstones

Section I: Company Data

Please tell us general information about your company and yourself for classification purposes.

1. Which of the following best describe your company type?

- | | |
|---|---|
| Gemstone Dealers <input type="checkbox"/> | Jewelry Retailers <input type="checkbox"/> |
| Gemstone and Jewelry Dealers <input type="checkbox"/> | Other, please specify..... <input type="checkbox"/> |

2. Which categories describe locations of your company? (select as many as apply)

- | | | | | | |
|-----------------------------------|-------------------------------|--|--|---------------------------------|--|
| Thailand <input type="checkbox"/> | Asia <input type="checkbox"/> | North-
America <input type="checkbox"/> | Middle-
East <input type="checkbox"/> | Europe <input type="checkbox"/> | Other, please specify <input type="checkbox"/> |
|-----------------------------------|-------------------------------|--|--|---------------------------------|--|

Please specify cities

3. How many employees are there in your company? employees

4. Which categories describe your methods of buying (select as many as apply)?

- | | |
|--|--|
| Visit gemstone exhibition <input type="checkbox"/> | Buy from Seller's Web sites <input type="checkbox"/> |
| Visit to seller organization <input type="checkbox"/> | Buy from e-marketplaces e.g., eBay <input type="checkbox"/> |
| Call salesperson <input type="checkbox"/> | Buy from gems & jewelry e-marketplaces e.g., Thaigem.com, Polygon.net <input type="checkbox"/> |
| Buy from travelling salesperson <input type="checkbox"/> | Other, please specify..... <input type="checkbox"/> |

5. Which categories represent the types of gemstones you buy (select as many as apply)?

- | | | | | | |
|---------------------------------|-----------------------------------|------------------------------------|--|--------------------------------|-------------------------------------|
| Ruby <input type="checkbox"/> | Sapphire <input type="checkbox"/> | Emerald <input type="checkbox"/> | Amethyst <input type="checkbox"/> | Topaz <input type="checkbox"/> | Padparacha <input type="checkbox"/> |
| Zongia <input type="checkbox"/> | Quartz <input type="checkbox"/> | Moonstone <input type="checkbox"/> | Others, please specify..... <input type="checkbox"/> | | |

6. Which category represents the gemstone lot-types you buy?

- | | | | |
|---------------------------------------|--|--|--|
| Loose stones <input type="checkbox"/> | Single stones <input type="checkbox"/> | Calibrated stones <input type="checkbox"/> | Other, please specify <input type="checkbox"/> |
|---------------------------------------|--|--|--|

7. Which category represents the qualities of gemstones you buy?

- | | | |
|-------------------------------|---------------------------------|------------------------------|
| High <input type="checkbox"/> | Medium <input type="checkbox"/> | Low <input type="checkbox"/> |
|-------------------------------|---------------------------------|------------------------------|

8. In a typical year, how many times would you say your company attend gemstones exhibition? Times

Please specify countries

- | | | |
|-----------------------------------|---------------------------------|---|
| Thailand <input type="checkbox"/> | Japan <input type="checkbox"/> | Hong Kong <input type="checkbox"/> |
| China <input type="checkbox"/> | India <input type="checkbox"/> | Middle-East <input type="checkbox"/> |
| Belgium <input type="checkbox"/> | U.S.A. <input type="checkbox"/> | Other, please specify..... <input type="checkbox"/> |

9. How long have you been in gemstone industry? Years

10. Please specify your gender

- | | |
|-------------------------------|---------------------------------|
| Male <input type="checkbox"/> | Female <input type="checkbox"/> |
|-------------------------------|---------------------------------|

Section II: Purchasing Behavior and Attitudes Toward Thai Gemstones

Purchasing Behavior

1. Please select the number (1-5) that best describes your feeling about each statement. If you feel that you never consider about that, please select 'not applicable: NA'.

Gemstones

When buying gemstone, I tend to consider about

- 1) Treatment disclosure e.g. heating, diffusion, irradiation
- 2) Authentic (real)
- 3) Origin
- 4) Color
- 5) Clarity
- 6) Variety of gemstone types offered
- 7) Selective available (able to select)

Strongly Disagree (1)	Disagree (2)	Neither Agree or Disagree (3)	Agree (4)	Strongly Agree (5)	NA

Price

- 1) I am happy to pay higher price for better quality gemstones
- 2) Sellers should have standard price for same quality of gemstones
- 3) Seller should offer flexible payment methods (e.g. instalments)

Strongly Disagree (1)	Disagree (2)	Neither Agree or Disagree (3)	Agree (4)	Strongly Agree (5)	NA

Channel

- 1) I always buy gemstones that I can inspect by my eyes (face-to-face contacts)
- 2) I buy gemstones via online channels
- 3) I sometimes buy gemstones via online channels

Strongly Disagree (1)	Disagree (2)	Neither Agree or Disagree (3)	Agree (4)	Strongly Agree (5)	NA

2. Please select the number (1-5) that best describes your feeling about each statement. If you feel that you never consider about that, please select 'not applicable: NA'.

Attitudes

Trust

- 1) I prefer to buy from sellers that have good reputation
- 2) Company size influences my buying decision
- 3) I buy from old contacts (sellers)
- 4) Salesperson influence my buying decision
- 5) I buy from sellers offering warranty/guarantee
- 6) Offering return policy within inspection period influences my buying decision

Strongly Disagree (1)	Disagree (2)	Neither Agree or Disagree (3)	Agree (4)	Strongly Agree (5)	NA

Satisfaction

- 1) I am happy with gemstones buying from Thailand
- 2) I am happy to deal businesses with Thai sellers
- 3) I can make profit of gemstones buying from Thailand
- 4) Overall, I am satisfied with buying gemstones from Thailand

Strongly Disagree (1)	Disagree (2)	Neither Agree or Disagree (3)	Agree (4)	Strongly Agree (5)	NA

Purchase Intention

- 1) I will buy gemstones from Thailand in the next months
- 2) I may buy gemstones from Thailand in the future
- 3) I will buy more gemstones from Thailand

Strongly Disagree (1)	Disagree (2)	Neither Agree or Disagree (3)	Agree (4)	Strongly Agree (5)	NA

3. Please rank the attributes you consider when buying gemstones in Thailand from most importance (5) to least importance (1).

- Treatment Disclosure
- Authentic (real) gemstones
- Guarantee
- Price

- Selective available
- Seller reputation
- Returnable within given period
- Other, please specify

.....

4. Other recommendation

THANK YOU VERY MUCH FOR YOUR COOPERATION

